
*If you plan to be in business in the 21st century,
start tracking these trends now.*

You'll Know It's **THE 21st CENTURY**

When . . .

Judith Waldrop

The Americans of the 21st century are today's children. Their values are being shaped by mothers who work outside the home, neighbors who speak different languages, and teachers who preach about the environment. Their destinies are being determined by the amount of money we set aside for their college education and for our own retirement. They will live in a world quite different from ours.

How can you prepare for that world? If you know what to look for, you can plan your business strategy now. This article tells you where today's trends will lead you. How will you know it's the 21st century?

You'll know when . . .

Everyone belongs to a minority group.

As the 20th century closes, white men are already less than half of the labor force. By 2010, married couples will no longer be a majority of households. Asians will outnumber Jews by a margin of two to one, and Hispanics will lead blacks as the nation's largest minority. But it will take until 2039, the year the youngest baby boomer turns age 75, for that generation to cease to dominate consumer markets.

By 2020, immigration will become more important to U.S. population growth than natural increase (the growth that occurs because births outnumber deaths). The population will diversify even more rapidly. Diversity creates opportunities for business, but targeting so many cultures, age groups, and

lifestyles with the right products and messages will be an unprecedented challenge.

You'll know when . . .

The family must be redefined.

Advertisers will need to be tactful when depicting 21st-century home life. By the year 2000, more than half of all children will spend part of their lives in single-parent homes. Though divorce rates will be stable, an increasing number of babies will be born to unmarried mothers. By 2010, about one in three married couples with children will have a stepchild or an adopted child. Interracial marriage and adoption, encouraged by increasing immigration and growing social tolerance, will darken the face of the average American family. Most children will never know a time when their mothers did not work outside the home.

In the 21st century, alternatives to marriage will be sought not just by young singles, but also by older people. Households that the Census Bureau now defines as "nonfamilies," including unmarried heterosexual couples, homosexual couples, and friends who live together, eventually will receive legal recognition as families in all 52 states.

You'll know when . . .

Parents no longer dream of better lives for their children.

In 2000, most new jobs will require schooling beyond high school. This will drive unemployment rates up among less-educated workers. The cycle of poverty will become even more vicious as low-income parents find themselves unable to send their children to college. If

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there is no attempt to stop current trends, half of all children born in New York City this year will be on welfare by 2010. Other big cities will face the same problem. Businesses will lose both customers and skilled workers—two groups they will desperately need.

You'll know when . . .

Full-time homemakers approach extinction.

As the new century begins, more than 80 percent of women aged 25 to 54 will be in the labor force. Most of the rest will be out of work only temporarily. Women will account for nearly half of the labor force, and businesses will be utterly dependent on their skills.

But women will still be the family's principal caretakers. Businesses will have to adapt to keep them on the job. Parental leave and flexible working hours will be the rule for all but the smallest businesses.

You'll know when . . .

The boss learns to nurture.

Retaining good workers will be a top corporate priority in the 21st century. Slow population growth will make skilled entry-level workers even more difficult to find. Turnover will be even more expensive, because many new workers will have to be trained in-house for highly specialized jobs. Relocating skilled personnel will be even more difficult, because people in two-career marriages won't move unless their spouses can also find work. In the year 2000, one employee in four will come from a minority group. Many will not speak English. Most large corporations will have special offices that deal with minority concerns.

Today, nearly all major corporations have job training programs. In the 21st century, most workers will have access to company-sponsored support networks that include mental health programs, drug and alcohol counseling, and fitness programs.

You'll know when . . .

The workplace shrinks.

In the 21st century, manufacturing jobs will continue to decline as service jobs grow. Because service businesses are generally small local operations, the size of the average workplace will shrink—both in the number of employees and in the total square footage of space. Increased specialization will also make manufacturing plants smaller; the size of wholesale and retail outlets will shrink along with them. Businesses no longer will need to stock large inventories.

Working won't always mean going to the office, either. With advanced communications equipment, employees on the road or in smaller satellite offices will be able to work closely with the main office. Many others will work at home. The workweek will be shorter, but flexible work schedules will keep offices and shops open longer. As a result, customer service will improve.

You'll know when . . .

There's nowhere to go but sideways.

In the year 2000, one-fifth of the labor force will be aged 45 to 54. Many will expect to move into top management jobs, but most will be disappointed. Some companies will soften the blow by creating positions with top-level pay but not the authority. Other companies will offer alternative rewards, including long paid vacations and free education. But many disgruntled employees will leave their firms to begin their own small businesses. Job specialization will increase, and competition will intensify.

You'll know when . . .

Career paths have side tracks.

By 2000, dual incomes and forgiving employees will make it easier for skilled people to slip in and out of the work force. Many people will work part-time while going to school, raising a family, or after retiring from a lifelong career.

Higher education will be expensive but jobs will be plentiful, so many young people will work before they go to college. By 2000, half of all college students will be aged 25 or older. Adult education will continue to grow.

Early retirement may tempt executives who have topped out, but many 21st-century employers will have eliminated retirement incentives as they try to retain skilled workers. And the high cost of retirement will keep many workers on the job. One retiree in three will return to work within two years. To retire in 2030 on today's equivalent of \$1,000 a month, workers will have to save \$4,800 a year starting now.

You'll know when . . .

The retirement population explodes.

Between July 2008 and July 2009, 3.5 million people will celebrate their 62nd birthday as the first baby boomers pass this milestone. That's 37 percent more than in the previous year, and 63 percent more than in 1990. Economic incentives could push the average age of retirement up as much as seven years. But despite delayed retirement plans, the boom will continue for several decades and peak

around 2020. People who postpone retirement will receive more benefits, and their social security checks will reflect cost of living increases. Retirement homes will be hot sellers. And the travel industry will benefit from an increased market for year-round vacationing.

To retire in 2030 on . . . \$1,000 a month, workers will have to save \$4,800 a year starting now.

You'll know when . . .

Life becomes leisurely.

In the 21st century, Americans will become preoccupied with leisure time—not just because they're growing older, but also because there's a crack in the work ethic. A majority of Americans already believe that their leisure time is more important than the time they spend at work. This feeling will be fueled by growing job dissatisfaction, limited promotional opportunities, and conflicts between worklife and homelife. Because a large share of the population will be in their peak earning years and because many older workers delay retirement, the leisure industry will benefit from an unusually affluent market. Time-constrained vacationers will be willing to pay top dollar for the relaxation they crave.

You'll know when . . .

America's health kick becomes the doctor's orders.

By the early 21st century, the U.S. will face severe shortages of hospital beds, physicians, and nurses. Staying healthy will become a priority. Half of Americans will be aged 40 or older in 2015, and many will be under doctors' orders to eat better and exercise more. Shoppers will depend on labels and seals of approval when buying food. Health products, from exercise machines to self-help books, will enjoy record sales. Home diagnostic products and services will include everything from AIDS tests to 900 numbers for instant nutritional consultations. The U.S. alcohol and tobacco market will continue to decline.

You'll know when . . .

People live longer than they want to.

In June 1990, the Supreme Court established the right to die for terminally ill patients who make their wishes clear. A few days later, Dr. Jack Kevorkian shocked America by helping a woman use a "suicide machine" he had invented. In the 21st century, these will be rec-

ognized as landmark events. The right to die will become increasingly important as life expectancy continues to advance beyond the ability of medical science to provide a comfortable existence.

By 2000, fewer than 2 percent of Americans will be aged 85 or older. Over the next 50 years, however, this group's share of the population will triple. Businesses will openly provide medical, legal, financial, psychological, and spiritual services for people who want to die. Most of their clients will be elderly, but some will be younger people suffering from cancer or AIDS.

You'll know when . . .

Cooking from scratch means pushing the right buttons.

Turning gray won't turn baby boomers into old-fashioned cooks. But that doesn't mean they won't want good food. Twenty-first-century homemakers will want dishes fresh from the oven in ten minutes or less. The microwave will be America's most popular cooking appliance, used primarily to heat prepared foods. The fastest-growing segment of homemakers will be unmarried men who live alone or head families.

You'll know when . . .

More people read computer printouts than books.

The children of the 21st century will be on intimate terms with computer chips. They will learn to use computers in grade school, and their homes will be filled with programmable VCRs, remote controls, and other computerized gadgets. Unlike many 20th-century adults, the new generation will be computer literate. And people with only a high school education will be just as likely as college-educated people to use personal computers in their daily lives.

Computer games will still be a favorite pastime in the 21st century, but a new product—"Virtual Reality"—will dominate the market. "Virtual Reality" allows users to see and experience places and events as though they were actually there. Most users will play for fun, but the product will also have educational and therapeutic uses. For many, it will replace drugs as an escape from reality.

You'll know when . . .

People create their own news.

In the 20th century, television advertisers were frightened when remote controls and proliferating channels gave audiences more control over their viewing. By 2000, newspaper advertisers will be coping with computer-

ized, menu-driven newspapers that allow subscribers to order only the news that interests them. On-line services will extend to banking, ticket and catalog purchases, referral services, brokerage services, and social networks. Advertisers who know how to target market niches will profit in this new medium.

You'll know when . . .

Consumers have it all.

Many 21st-century products will be "smart" versions of products that now exist. Smart cards will carry magnetic strips containing your financial or medical information. Smart TVs will know what you want to watch before you turn them on. They will even record programs you forget to watch. Smart houses will allow you to control all of your appliances with one device. Smart pill bottles will beep when it's time to take the pill, then automatically record time and dosage.

But some things won't change. Though consumers will have an abundance of products to choose from, they won't buy those that don't fit their lifestyles. Targeting consumer niches will be the only way for businesses to increase sales.

You'll know when . . .

All of the Sierra Club's wishes come true.

By 2010, the generation born after Earth Day 1970 will be in control of the country. Nearly all 21st century Americans will consider themselves environmentalists. Yet most consumers won't voluntarily switch to green products; instead, green products will be mandated by environmental legislation. Before the U.S. population hits 300 million, in 2029, strict national laws will govern recycling, packaging standards, and waste disposal.

You'll know when . . .

Hometowns become theme parks.

In 1980, 36 percent of Americans lived in a state other than the one they were born in. During the decade, millions of baby boomers (aged 16 to 34) left home in search of better schools, better jobs, and better lives. In the 21st century, middle-aged baby boomers will long to recapture that hometown feeling. But that will be difficult, because the baby boom has changed everything.

By 2000, the population of San Jose will be more than double what it was in 1960. Houston will have nearly tripled in size, and Fort Lauderdale will have increased four-fold. More than three-quarters of Americans live in a metropolitan area, although only one in four would pick city life if given a choice. Baby boomers will recreate that hometown spirit by visiting nostalgic theme parks, by reading publications about small-town life, by decorating their homes like farmhouses, and by eating at "authentic American" restaurants.

You'll know when . . .

Big cities suffer big disasters.

Population and jobs will continue to move out of central cities to suburban locations, as telecommunications equipment allows people to work and live where they want. Corporate headquarters, research and development offices, and sales staff will no longer need to be located near one another. A city's "quality of life" will be the best predictor of its ability to attract skilled employees.

Rapid population growth will force many Sunbelt cities to add infrastructure. But funding for public works will lag even further behind public need in the 21st century. Entire sections of northeastern and midwestern cities will be vacant, while southern and western cities will face chronic housing shortages.

Shifting populations will erode the corporate tax base and generate service delivery nightmares. Traffic jams will take to the air. Airlines will serve approximately 800 million passengers in 2000, almost twice as many as in 1990. But airport expansion will not have kept pace with the increased traffic. Passengers will experience constant delays at major airports. To avoid air travel, many businesses will turn to telecommunications links for conferences and sales.

You'll know when . . .

The good ol' boys are history.

Women, blacks, Hispanics, and other minorities will drive politics in the 21st century. By 2000, minorities will be mayors in most of the nation's largest cities. Blacks and Hispanics will win more elections for two reasons: because of their growing numbers, and because minority voter participation rates will increase relative to white voter participation. Racial crossover voting will be more common.

At the turn of the century, women will be more than half of all college students and almost half of all workers. But long before substantial numbers of women will take their place as leaders in industry, they will win the popular vote for political office. In the first presidential election of the 21st century, 53 percent of voters will be women.

You'll know when . . .

You can expect the unexpected.

Twenty-first-century consumers will want high quality and service at low prices. But innovators will be able to name their price if they spot new opportunities before the competition. Don't expect a slump in the toy market as the baby boom ages out of its child-bearing years, for example. As the new century begins, the baby boomers will swell the ranks of grandparents. The 21st century's fortunes will be made by businesses that look for markets where no one else expects to find them. **PM**

Behind the numbers: *American Demographics'* forecasts are based on current estimates and projections from the following sources: Bureau of Labor Statistics, 1, 4, 5, 7, 20; Census Bureau, 1, 2, 3, 7, 9, 11, 12, 17, 20; North American Jewish Data Bank, New York City, 1; Taskforce on Minorities in the Newspaper Business, *Cornerstone for Growth*, the Newspaper Center, Washington, D.C., 1; Population Reference Bureau, Washington, D.C., 2, 19; National Center for Health Statistics, 2; Hudson Institute, Indianapolis, Indiana, 3, 6, 8, 19; "Another War—the One on Poverty—Is Over, Too," by Daniel Patrick Moynihan, *New York Times*, July 16, 1990, 3; the Roper Organization, New York City, 4, 10, 14, 17; National Center for Educational Statistics, 8, 20; Mark D. Hayward of the University of Southern California in Los Angeles, 8; American Association of Boomers, Irving, Texas, 8; "Finally, The Good News About Social Security," by Eric Schurenberg, *Money* magazine, August 1990, 9; United Way of America, 11; NPD Marketing and Research Group, Park Ridge, Illinois, National Eating Trends study, 13; Mediamark Research, Incorporated, New York City, 13; *Future Stuff*, by Malcolm Abrams and Harriet Bernstein, 16; *Gallup Report*, 17, 19; "Making Yourself at Home: The Baby Boom Generation Yearns to Settle Down," by Brad Edmondson, *Utne Reader*, May/June 1990, 18; Texas A & M University, 18; California Department of Finance, 18; University of Florida, 18; "Airport 2000—A Horror Story?" by Kenneth Labich, *Fortune* magazine, June 18, 1990, 19; Joint Center for Political and Economic Studies, Washington, D.C., 20.

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